Export of Onions

638. SHRI JANARDHANA POOJARY: Will the Minister of COMMERCE be pleased to state:

(a) whether, in view of steep fall in prices of onion after the arrival of fresh crop, farmers have urged Government to lift ban on export of onions;

(b) if so, Governments reaction thereon; and

(c) whether Government propose to keep in view the interest of consumers also while taking a decision on the demand of farmers to lift ban on export of onions?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) and (b) Yes, Sir. Requests have been received from the State Governments of Maharashtra, Andhra Pradesh and Karnataka for the removal of ban on export of onions. Representations were also received from farmers, associations and traders. These requests have been given due consideration by the Government.

(c) The Government has lifted the ban on export of Bangalore Rose Onion, small quantities of Krishnapuram onion, and has allowed export of 3000 MTs of all varieties of onion to Sri Lanka through N.A.F.E.D. Permission has also been granted for the export of 25,000 MTs. of onions per month for next three months though an agency to be designated by the Government of Maharashtra or by the Associate Shippers registered with the designated agency. While deciding to lift the ban partially, the Government has kept in view the interest of consumers also.

Transparency in DEPB Rates

639. SHRI RAMDAS AGARWAL: Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to a news item published in the Economic Times, (New Delhi), dated the 11th December, 1998 captioned "Exporters must have a say in Duty Entitled Pass Book Scheme (DEPB) rates".

(b) whether, according to CCI's President, methods by which DEPB rates are calculated are faulty, non-transparent and are a fertile ground for corruption and need simplification in order to boost exports;

(c) if so, the reaction of Government thereto; and

(d) what Export Promotion Schemes are available during the current fiscal year for exporters?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) Yes, Sir.

(b) and (c) It is not correct to say that the methodology of calculation of DEPB rates is faulty or non-transparent. There is a standard formula for calculating these rates which take into consideration (i) the quantities of inputs required as per the standard Input-Output Norms for the export product, (ii) the total duty element calculated with reference to the c.i.f. value of the various imported inputs, and (iii) the prescribed value addition for the export product. The DEPB rates are calculated and recommended by an inter-Ministerial Committee known as the DEPB Committee. Representatives from the concerned Export Promotion Councils and Associations are also invited to the Committee meetings as and when required. In case any factual errors are brought to the notice of the Committee, these are also examined and the Committee takes appropriate rectificatory

measures wherever necessary. However, in a number of cases the exporters were found to have made unjustified claims for enhancement of DEPB rates allowed to their products and have brought pressure on the Government by alleging that incorrect/non-transparent DEPB rates were fixed. Such unjustified demands have not been acceded to by the Government.

(d) Various Export Promotion Schemes like Duty Exemption Scheme, EPCG Scheme, EOU/EPZ Scheme, Gem & Jewellery Scheme are available during the current fiscal year.

Increase in Trade Deficit

640. SHRI PREM CHAND GUPTA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the trade deficit has widened from 3.4 billion dollar in the first eight months of 1997 to 6.7 billion dollar for the same period in 1998;

(b) if so, what are the reasons for this; and

(c) what are Government plans to contain it?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) As per the provisional data of the Directorate General of Commercial Intelligence & Statistics, the trade deficit during April-November, 1998-99 was US $6701 million as against a trade deficit of US $3369 million during the same period last year.

(b) and (c) The widening of trade deficit has been due both to a slow down in export growth and to increase in imports over exports. Export promotion measures are continuously being taken by the Government through changes in policies and procedures for providing an export friendly environment, involvement of States in export promotion and consultation with trade and industry. A number of steps have been taken to promote exports which include lowering of interest rates on export credit, reduction in transaction cost through decentralisation and simplification of procedures and various other measures as enumberated in the Exim Policy. Steps have also been taken to promote exports through multilateral and bilateral initiatives, identification of thrust sectors and focus regions. The Government is also initiating action through several measures to facilitiate investment in sectors with strong export potential, encourage diversification of India's export basket, address infrastructure shortcoming, improve export facilitation measures and thus enhance the overall competitiveness of Indian exports. The Government is according high priority to exports and all necessary steps are being taken to put exports on high growth trajectory.

Export of Rice

641. SHRI K.M. SAIFULLAH: Will the Minister of COMMERCE be pleased to state:

(a) whether the Food Ministry has sought quantitative restrictions on export of rice;

(b) if so, the reasons therefor; and

(c) the action taken to ensure buffer norms before export of rice?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE); (a) and (b) Review of Export Import Policy of agricultural products, including rice, is an on-going process and accordingly policy interventions are made as and when considered necessary keeping the interests of domestic producers, consumers and industry in view. Consultations in this regard between various Ministries including Ministry of Food & Consumer Affairs and exporters/importers are held from time to time. As per the current EXIM Policy, of rice (both basmati and non-basmati) is free, subject to registration of contracts with Agricultural and Processed Food Products Export Development Authority (APEDA)